

Headquarters U.S. Air Force

Integrity - Service - Excellence

USAF Contracted Services Acquisition

**Year of the Air Force
Family**



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AFPEO/CM
21 April 2010**





- **PEO/CM authorities**
 - **Origin and organization**
 - **Delegations and accountability**
 - **Battle Rhythm**
- **CONOP and tools**
 - **Commodity focus**
 - **Acquisition Flow chart**
 - **Standardize (templates)**
 - **Compliance and processes**
 - **Training (DAU)**
 - **Enabling Success and Communication**
- **Lessons learned**
 - **Post award: AFCAP, WRM, CFT, Predator and Reaper**



PEO/CM Mission

Manage and oversee the acquisition and delivery of Air Force operational and mission support services for today's warfighter.

- Services \$100M to \$1B and A-76 actions >300 FTE
- SAF/AQ delegations > \$1B
- Service Requirements Validation
- Acquisition: Plan, Select, Execute



Air Force Program Executive Office Combat & Mission Support

170 Acquisitions Valued at \$165 BILLION

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Services Designated Officials

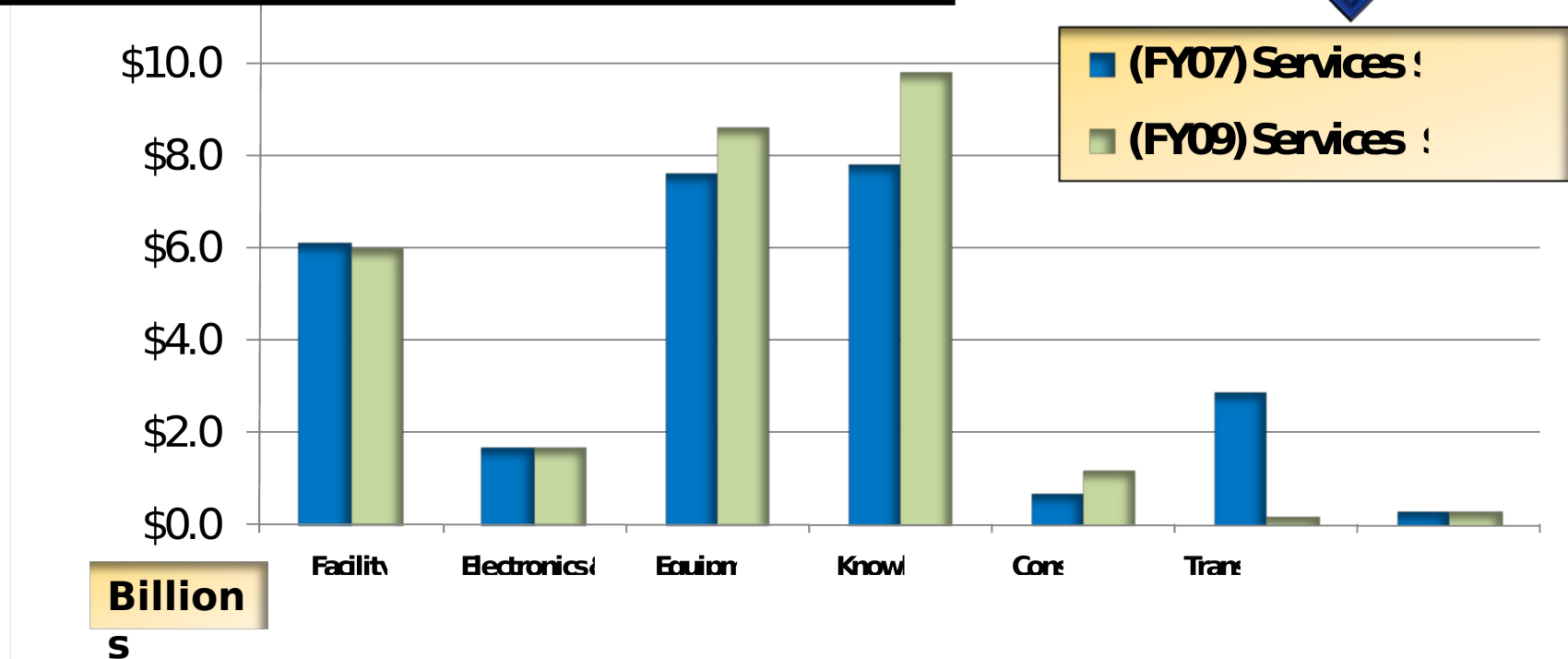
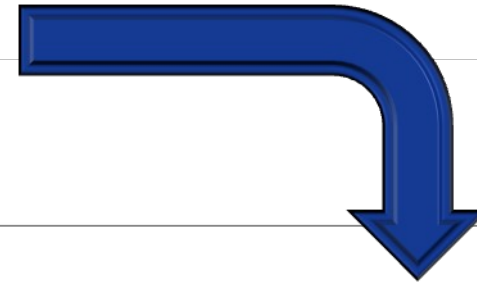
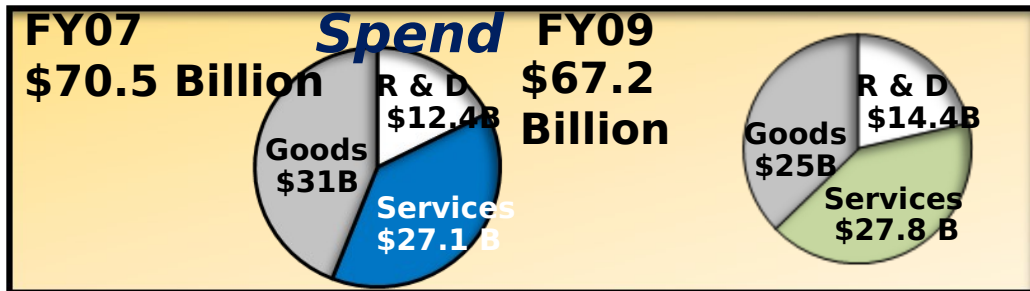
Table 3-1. Services Acquisitions within the US Air Force

Services Category	Threshold	Services Designated Official
Special Interest	As designated by USD(AT&L), ASD(NII)/ CIO, or Senior Official	DPAP; AFPEO/CM; or other PEO
Services Category I	$\geq \$1B$	AFPEO/CM, delegable with USD(AT&L)/DPAP review
	$\geq \$100M$ but $< \$1B$	AFPEO/CM, delegable
	IT Services $\geq \$500M$	AFPEO/CM, with ASD(NII) review
Services Category II	$\geq \$10M$ but $< \$100M$	MAJCOM HCA or as delegated by HCA; SAF/AQC for DRU or FOA
Services Category III	Acquisitions \geq Simplified Acquisition Threshold but $< \$10M$	MAJCOM HCA or as delegated by HCA; SAF/AQC for DRU or FOA



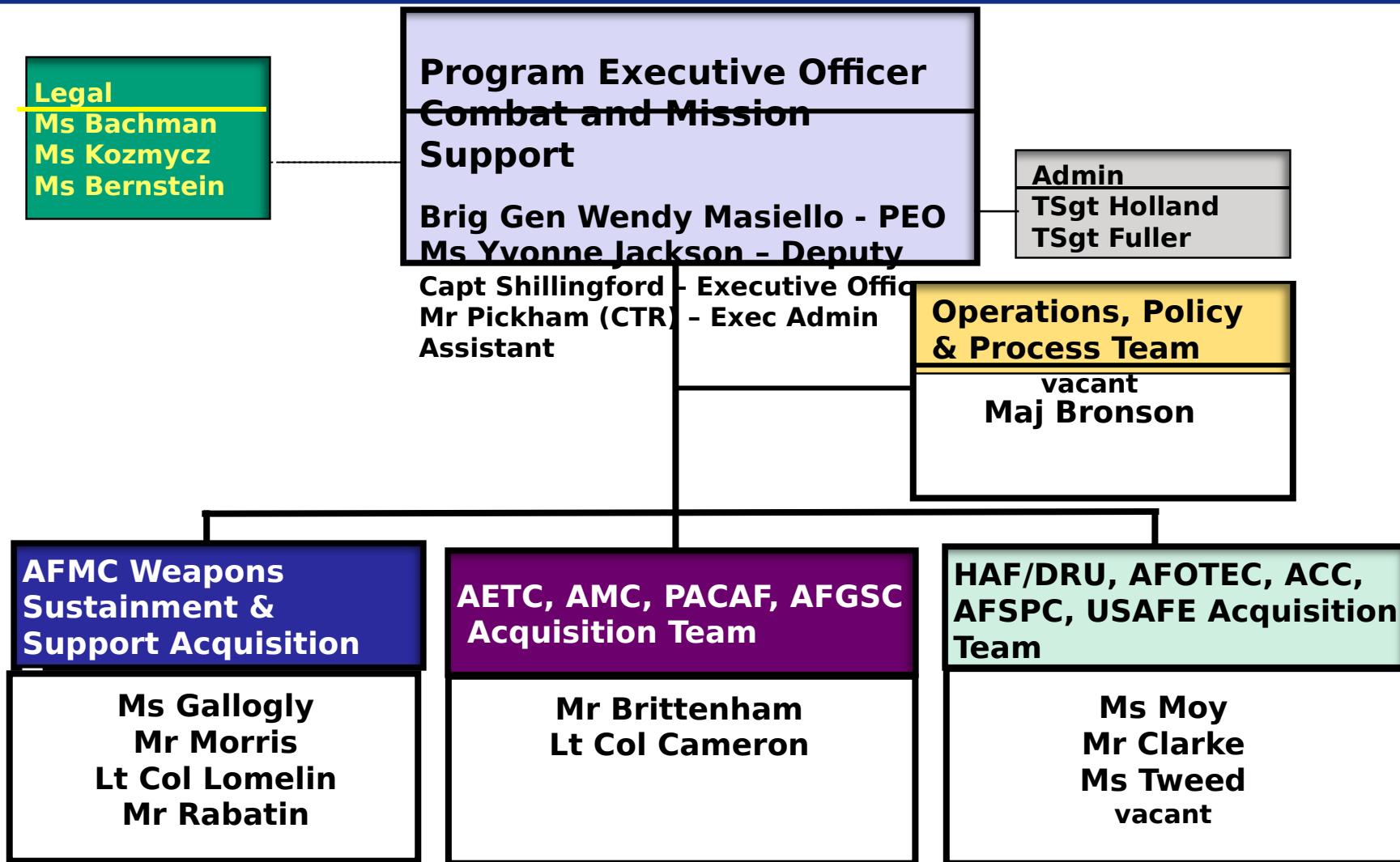
Total AF Services Spend by Portfolio Group (FY07 & FY09)

Total AF





PEO/CM Organization





~~Bases~~














PACA

F



USAF
E

MAJCOM HQs		MAJCOMs		DRUs	
	Langley		ACC		USFAA
	Randolph		AETC		AFDW
	Wright Patterson		AFMC		
	Peterson		AFSPC		
	Hurlburt		AFSOC		
	Scott		AMC		



MAJCOM Delegations

- ✓ Get MAJCOM's involved in Services Acquisition via delegations

Delegation Proposal for MAJCOMs/Regions

Basic

- Authority: ≤ \$100M
- Responsibility: Total - ASP through Admin
- Qualification: Statutory/Regulatory

Silver

- Authority: ≤ \$500M
- Responsibility: ASP with status reporting beginning with Requirements Document (OSD-like notification process)
- Qualification: Immediate probationary based on regular PEO/CM oversight and real-time, joint definition of success

Gold

- Authority: ≤ \$1B
- Responsibility: SSA, AF Plan and FDO (ASP and Acq Plan at PEO)
- Qualification: 1-2 years demonstrated success with programs under \$500M

Platinum

- Authority: Designated Official
- Qualification: Demonstrated pro-active full-spectrum Services management and oversight for everything < \$1B

MAJCOM	Desg Rep	EMA	Status
ACC			Silver (P)
AETC			Silver
AFMC			Seeking Silver
AFSPC			Seeking Silver(P)
AMC			Basic
PACAF			
USAFE			Basic
LEGEND: No Contact In Work In Place			



“Earning” Delegation

- **GO/SES Champion for Services at MAJCOM**
- **Expectation Mgmt Agreement with MAJCOM CC/CV**
- **Demonstrated learning**
- **Proactive, multi-functional involvement**
- **Timely MAJCOM Reporting**
- **Metrics**
- **PEO/CM participation in Source Selection stages**

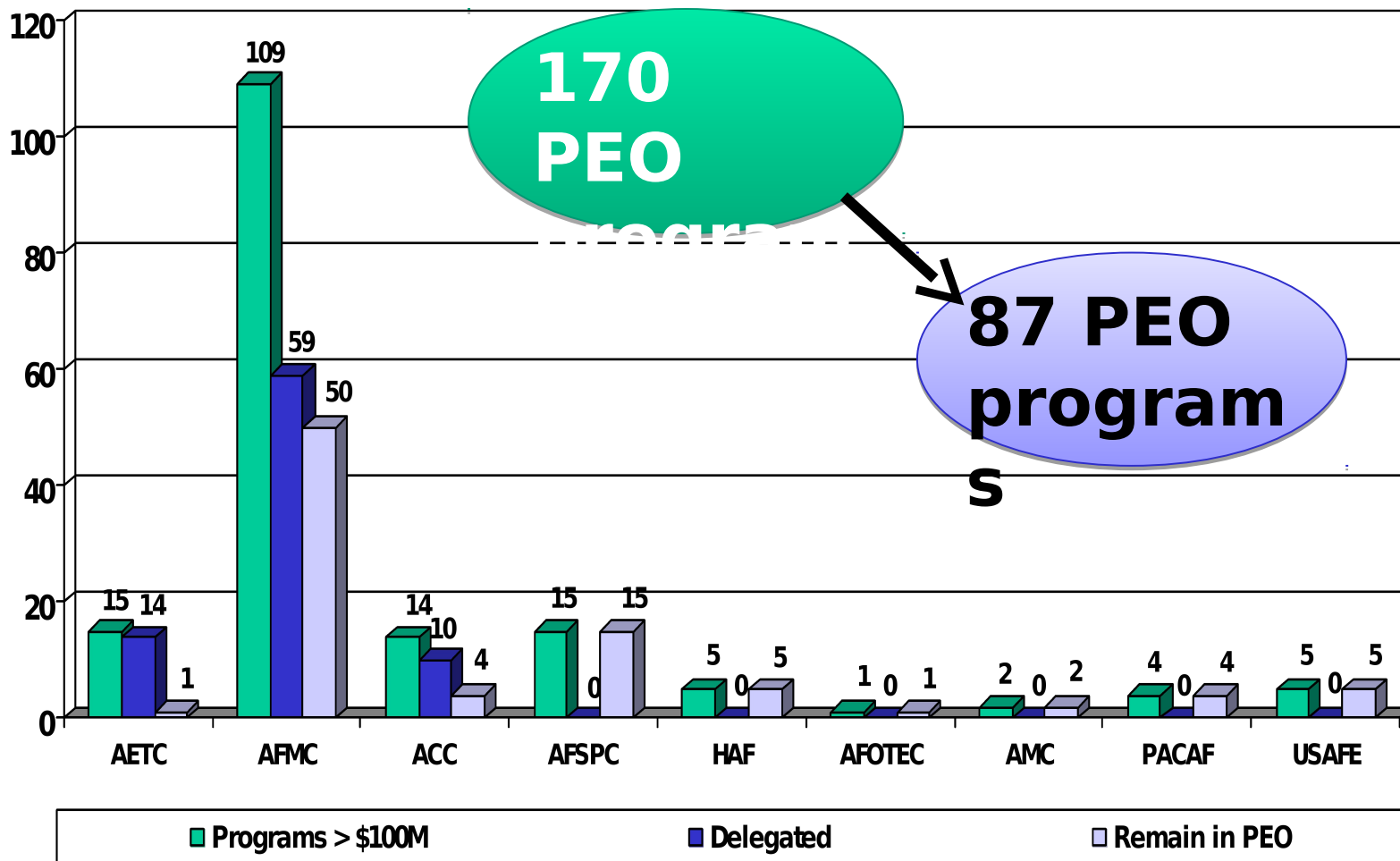


Fee Determining Official Delegations

- **FDO Delegations flow with MAJCOM EMAs**
- **Other FDO Delegations require**
 - **By name delegation ONLY - no positional**
 - **Expect some acquisition experience**
- **Process**
 - **Formal memo of delegation signed by PEO/CM**
 - **May do right seat-left seat “training” session with delegate**



MAJCOM Delegations (Pre and Post Award)





Sample AER Quad Chart

Scope of Work:

Provides worldwide planning, site management, commodities, construction, repair, services, infrastructure and emergency support services, and limited environmental support to Air Force Bases Worldwide



Execution:

	FY06	FY07	FY08	FY09	FY10	FY11
Program Ceiling	\$34M	\$34M	\$34M	\$38M	\$38M	\$38M
Obligation						

Total Contract Value: \$\$\$\$
Program Ceiling: \$\$\$\$
Program Obligation to Date: \$\$\$\$

Budget **G**
Cost **Y**

Status: F416XX-01-D-00XX (Awd: 17 Jul 03)
(Full & Open)

- **POP: 6 years (Oct 03 - Sep 09)**
- **Current Option: 4 of 5 (1 Oct 08 - 30 Sep 09)**
- **Contract: MAC IDIQ FPIF/FPAF/FFP/CPIF**
 - **Task Orders Completed: Actions: 80%; Obligated: 65%**

CPARS	Qty	Schd	\$ Ctrl	Bus Rel	Mgt
RMB	V	V	S	E	S
CJTY	V	V	S	E	S
Ramseys	U	E	S	E	M
DotCom	E	E	S	-	-

Contract/TO/Program Issues:

Performance **G**

Mitigation of Issues (risks):

See notes for further explanation

Data in this box should be "as of 30 Sep"

VS FDO: 99 FTW/CC CORs (= QAEs): 3



MAJCOM Services Program Health

Delegation: Probationary SILVER

Date:

Advocate:

MAJCOM POC:

PEO/CM POC:

Seeking SILVER Status

APPROACH

Forward Looking



Continuous Improvement

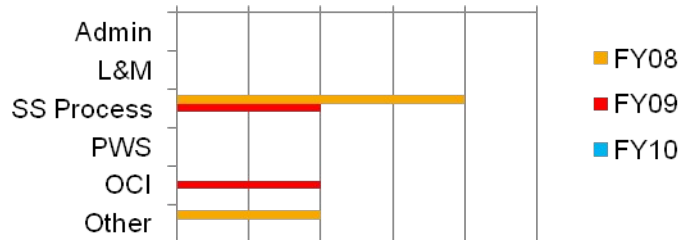
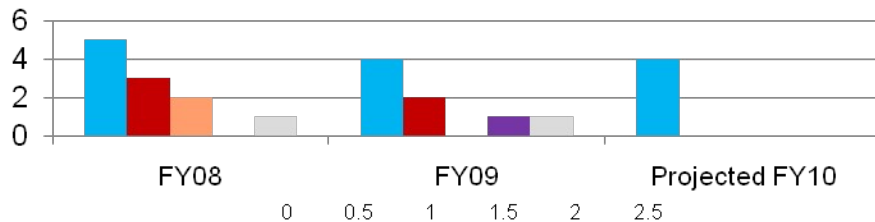


Collaborative



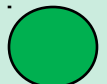
Protest History

■ Source Selection ■ Protest ■ Corrective Action ■ Sustained ■ Dismissed

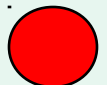


OVERSIGHT/MANAGEMENT

Program Management



Functional Ownership



Fiscal Responsibility



2+ years at green



Satisfactory or better



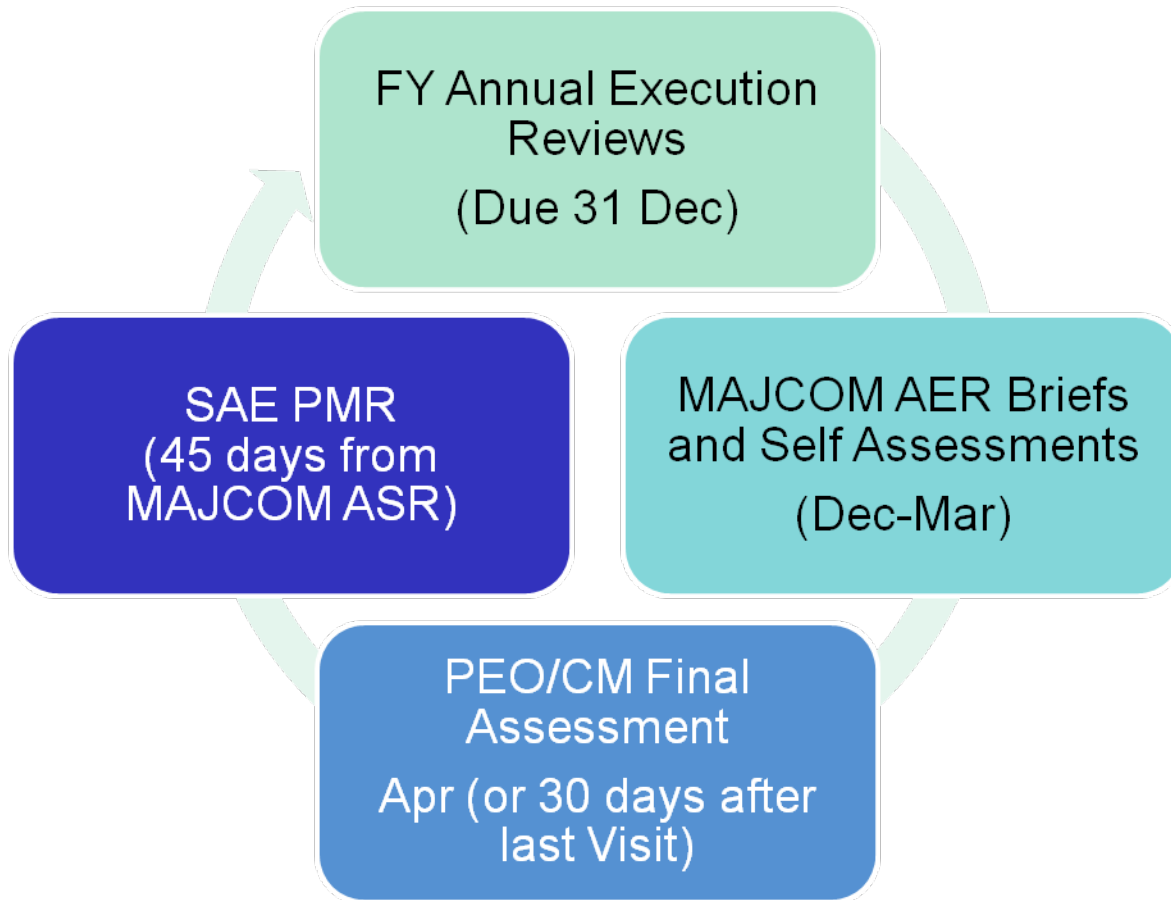
Marginal



Updated 5 Apr 13



Assessment Battle Rhythm





PEO/CM Objectives

- 1. Better manage AF annual spend on contracted service providers**
- 2. Increase oversight on contracted service providers**
- 3. Increase effectiveness of contracted service providers**
- 4. Make faster, more timely contract awards for contracted services**



AFPEO/CM Commodities

Commodity/Specialty	Acquisition Manager
Civil Engineering Installation Support Services Maintenance of Facilities	Mr. Rod Brittenham
ADP, Telecom Maintenance Repair Re-build Professional Services	Ms. Angelena Moy
Contractor Logistics Service DEPOT Maintenance Engineering Test	Mr. Steve Morris





Spend Analysis

USAF Services FY 2008 Spending By Portfolio Group

DESCRIPTION	TOTAL DOLLARS (\$K)	TOTAL ACTIONS
Research & Development	\$10,267,017	9,064
Knowledge Based Services	\$9,692,265	17,483
Equipment Related Services	\$6,820,273	5,961
Electronics & Communication Services	\$3,958,220	10,528
Medical Services	\$407,463	1,857
Transportation Services	\$188,154	973
Facility Related Services	\$6,419,434	22,045
Construction Services	\$1,457,859	1,987
<i>Total</i>	<i>\$39,210,595</i>	<i>69,898</i>



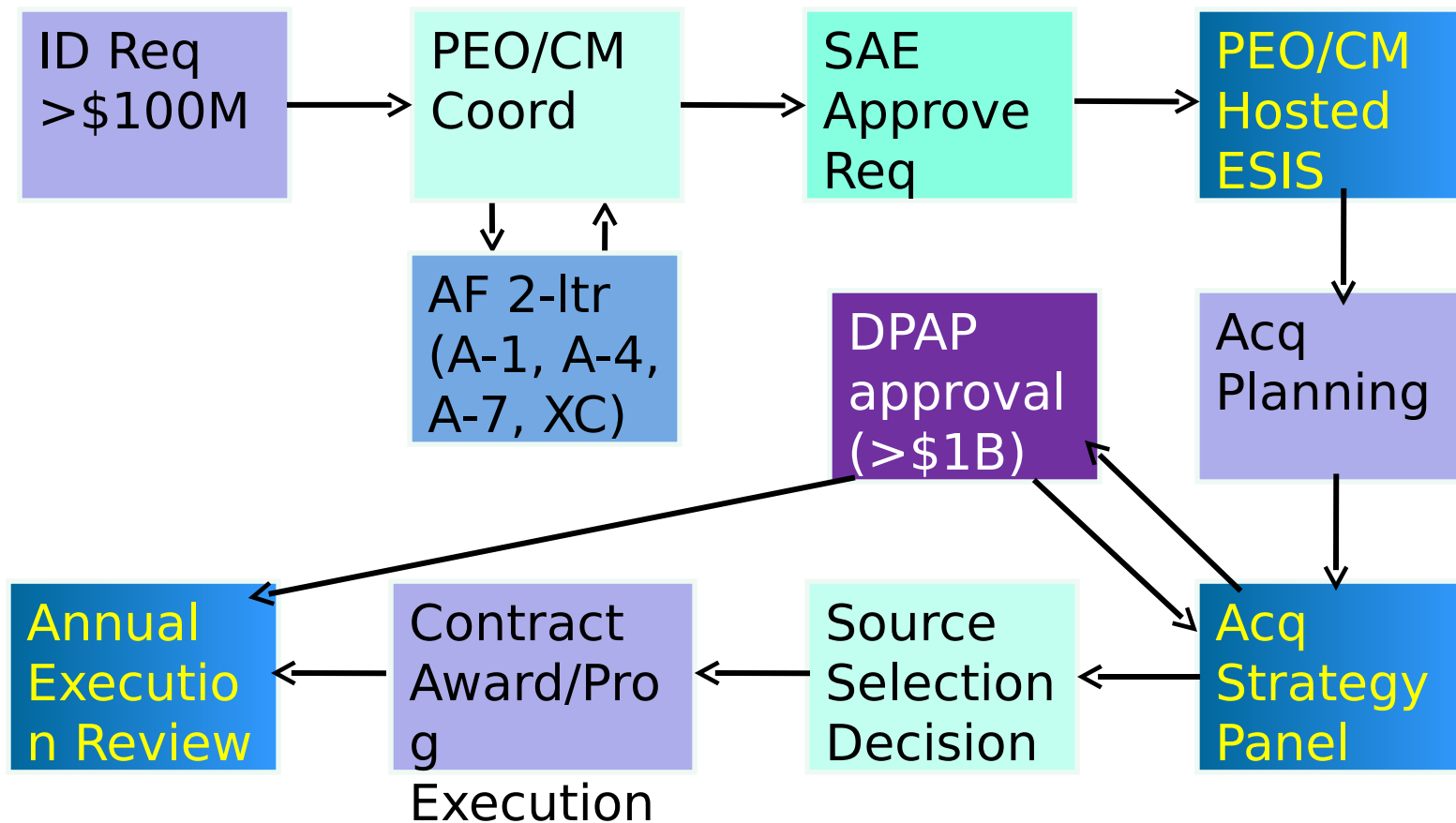
Spend Analysis Products

- **“Enterprise” solution NETCENTS 2**
- **“Regional” A&AS supporting**
 - **Air Combat Command**
 - **Air Force District of Washington**
- **“Enterprise” solution for Environmental Engineers with AFCEE**
- **“Regional” A&AS effort**
 - **Wright-Patterson AFB**



Services Acquisition Life Cycle

At Contract Award -24 mo



MAJCOM

PEO/CM

HQ AF

AF SAE

Team Effort



Requirements Approval

- **Required by SECAF to force attention on Services contracting**
 - **>\$100M requires SAE approval**
 - **>\$10M requires MAJCOM/CC approval**
 - **<\$10M no lower than Wing Commander**
 - **Non-delegable**
- **Procedure**
 - **MAJCOM sends Requirement request to PEO/CM**
 - **PEO/CM coords with “owning” AF 2-letter**
 - **SAE signs Requirements Approval Document (RAD)**
- **What is approved**
 - **Requirement to contract for services at some dollar threshold, period of time**
 - **It is NOT an approval of an acquisition strategy**



Early Strategy and Issues Session

- **Purpose:** Coach acquisition team with new concepts, policy, recent GAO/Audit findings decisions, best practices PRIOR to extensive Acquisition Planning
- **Participants:** Contracting, functional owner, Small Business advisors, Mission commander, technical experts
- **Topics discussed**
 - Current program—what worked and what didn't, any pending mission, scope changes
 - In-sourcing opportunities
 - Planned training (or needs)
 - Thoughts on acquisition strategy
 - Tentative schedule
 - Keep is Simple



Other Templates

- **Requirements Approval Document staff package**
- **Acquisition Strategy Panel Brief**
- **Initial Evaluation Board Brief**
- **Final Proposal Revision Brief**
- **Annual Execution Review**
- **Contractor Manpower Requirement Document CDRL**



Legislated Requirements

- ❑ **FY02 NDAA - Focused on Services Acquisition**
 - ✓❑ **Establish Management Structure**
 - ❑ **AF stood up PEO for Combat and Mission Support**
 - ✓❑ **Increase Competition**
- ❑ **FY06 NDAA - More stringent direction for decision authority**
 - ✓❑ **Develop Policies and Procedures - AT&L memo, 2 Oct 06:**
 - ✓❑ **Acquisition of Services Policy**
 - ❑ **Develop and deploy competent workforce**
 - ✓❑ **Establish service categories**
 - ✓❑ **Full Time commodity managers**
 - ✓❑ **Maximize competitive procedures**
 - ✓❑ **Periodic spend analyses**





Services Legislation (cont.)

- ❑ **FY08 NDAA - Budgets, Inventories, Competition**
 - ✓ ☐ **Sec 807 - Reporting—all Services by Jun**
 - ✓ ☐ **Sec 808 - Independent Management Review**
- ❑ **FY09 NDAA - Return to organic preferences**
 - ✓ ☐ **Definition of “Inherently Governmental”**
 - ✓ ☐ **Organic vs Contracted Support**
 - ✓ ☐ **Evolution of the OCI/PCI**
- ❑ **FY10 NDAA - Increased reporting, oversight, direction**
 - ✓ ☐ **Sec 803 - OSD budget to include amount and FTEs**
 - ✓ ☐ **Sec 821 - Sets conditions for Gov’t Spt Ktr access to Prime Tech Data**

**PEO/CM
Placeholder
or CDRL**

**If in doubt,
leave them
out**





Enabling Success

- **Improve training**
 - **Front-end: PWS/RFP preparation and evaluation training**
 - **DAU Services Acquisition Workshop**
 - **UT 3-, 5-phased JIT Resourcing workshop**
 - **Senior Leader orientation to JIT program**
 - **Establish Services acquisition certification program**
 - **Explore avenues to prepare Mission owners/commanders for contractor over-site role**
 - **Improve Independent Government Estimates**
- **Improve post-award review and accountability**
 - **Adapt program assessment tool for Service programs**
 - **Improve COR/QAE training**
 - **Enable decentralized COR reporting/monitoring**



- **Quarterly Communiqué with MAJCOM Service Advocates**
 - **24-month out “Warning Order” on program end dates**
 - **Acquisition Sustainment Reviews with AQ and AFMC**
 - **Annual Program Execution Reviews**
 - **Annual Services Workshop**
 - **MAJCOM Teams talk regularly**
 - **Developing stand alone Services Instruction**



What Works

Plan

- 24-month Warning Order
- Know Commander's Intent

Ease

- Contract type
- Simple Source Selection
- Vehicle Options

Collaborate

- Senior Ldr Support
- Active Multi-functional team
- Small business element

Own it

- Prepare thru JIT
- Know Market
- Document

Manage

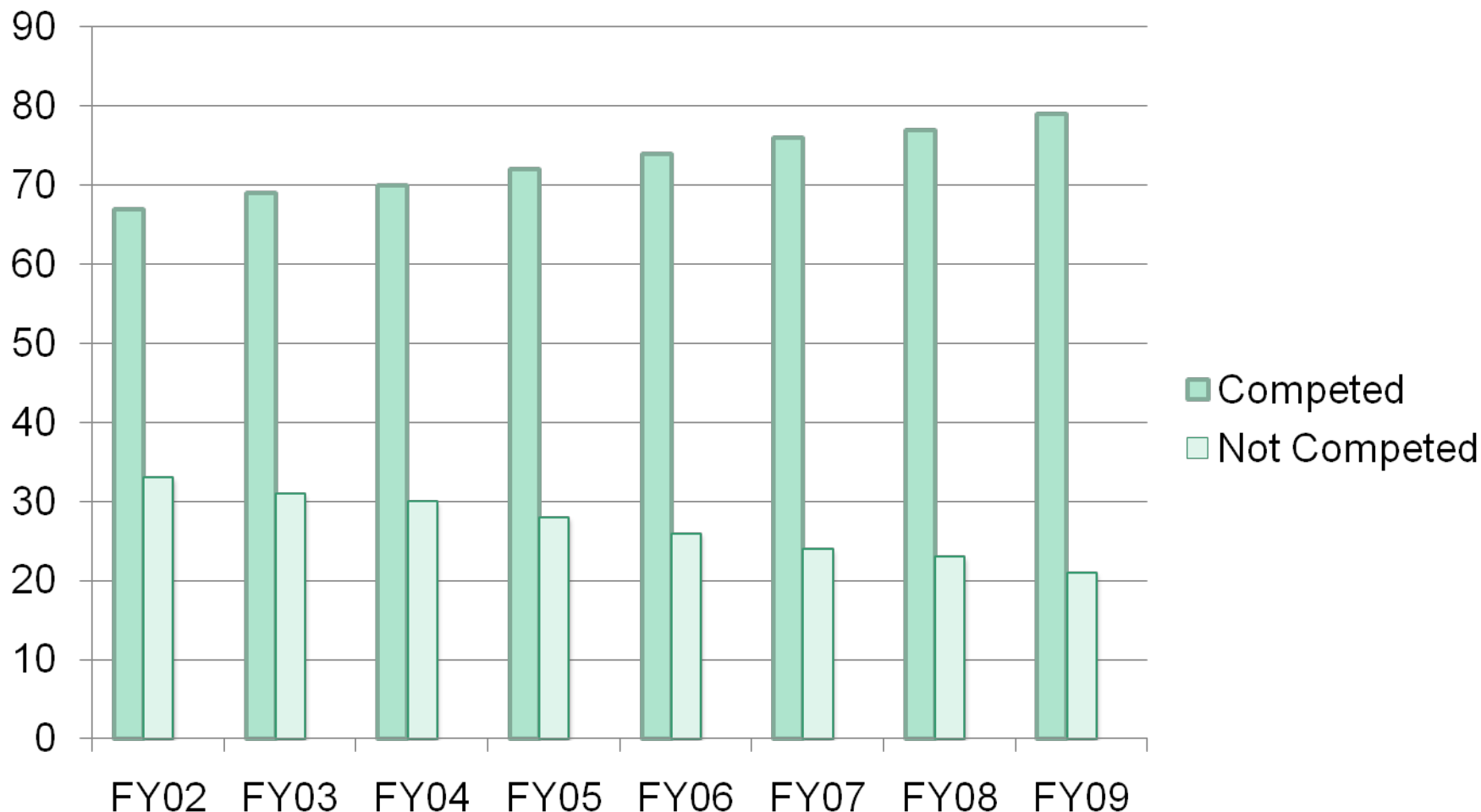
- Challenge requirement
- In-source?

▪ Pre- and post-award

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Services Competition on the Rise





Success Stories

Information, Intelligence, Information,

Single award T&M ID/IO contract supporting national security systems for numerous agencies at 500+ locations



Post-award review revealed issues

- Overwhelming post-911 demand
- Inadequate staffing
- AF bore full acq/admin burden



AF corrective actions

- Returned program responsibility to DIA
- 3 DIA support staff for transition
- Gained insight into contractor cost
 - Negotiated 25% reduction on fixed labor rates
- \$145M increase in buying power



Success Stories

Air Force Contract Augmentation Program (AFCAP) III (\$1.0B)

Multiple award ID/IQ contract providing ready response to contingencies worldwide for a diverse set of government activities



Predecessor status

- Single contractor
- Cost reimbursable + award fee



Follow-on improvements

- Competition up—now 5 contractors
 - 86% of FY09 task orders competed
- Variety of contract types available to meet diverse requirements
 - 86% of FY09 awards firm fixed price
- Central ordering process
- Three-pronged post-award



Success Stories

War Reserve Materials (WRM) (\$443M)

Single award contract providing storage, inspection, & maintenance of war reserve material in AFCENT AOR



Insufficient oversight on predecessor led to problems

- DoDIG audit with 34 findings
- Inadequate control of govt property
- Lack of documentation



Follow-on improvements

- Increased oversight & management
 - PM, CORs, PAs, and ACOs
 - Electronic tracking
 - Property audit
 - Continuous financial reviews
- Contractor performance accountability



Success Stories

MQ-9 Reaper (\$174.8M)

Single award contract providing MQ-9 Reaper program management, system maintenance, munitions build-up, aerospace ground equipment, and support equipment at CONUS and forward deployed locations



Current status

- Sole source to OEM
- Cost plus fixed-fee contract
- All data owned by OEM



Follow-on improvement goals

- AF gaining data rights
 - 3 of 5 data sets to be received in Apr 10
- 2 year transition building to full competition
 - Merger of MQ1/MQ9 requirements
 - Exploring use of MAC ID/IQ



Closing Thoughts

- **USAF adopting a Programmatic approach to Services Acquisition**
 - **Functional ownership needed pre- and post-award**
 - **Fully engaged multifunctional team is essential**
- **Instituting post award accountability**
 - **Assessing government team oversight**
 - **Contractor performance (including fulfillment of proposal commitments)**
- **Procedures stabilizing/continuously improving**
 - **Templates**
 - **Communication**
 - **Training**

**Services Acquisition is a Team
Sport**



QUESTIONS?



Success Stories

Contractor Field Teams (CFT) (\$10.1B)

***Multiple award ID/IQ contract
providing global weapons systems
maintenance augmentation to some
Federal & all DoD agencies***



Predecessor status

- 100% T&M contract
- Awarded to 4 contractors
- 6 contracting personnel for oversight



Follow-on improvements

- 53% Firm Fixed Price; 20% mixed
- Competition up—now 11 contractors
 - 4 small businesses
 - 65% non-incumbent awards
 - Over \$100M saved in FY09
- Cultural shift—PBSA focus
 - 9 contracting personnel/28-pers MFT
 - Leadership accountability, online tools



Success Stories

MQ-1 Predator (\$250M)

Single award contract providing MQ-1 Predator unmanned aerial system organizational-level maintenance support at CONUS and forward deployed locations



Predecessor status

- Sole source to OEM
- Cost plus fixed-fee contract
- All data owned by OEM



Follow-on improvements

- AF gained data rights
- Current contract is a hybrid (FFP/CPAF) awarded to non-OEM
- 2 year transition building to full competition
 - Merger of MQ1/MQ9 requirements
 - Exploring use of MAC ID/IQ